

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
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RECORDATION NO. 25245 FILED

OCT 15 '04 3-47 PM

SURFACE TRANSPORTATION BOARD

OCT 15 2004
RECEIVED

VIA UPS 2nd DAY AIR

October 13, 2004

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated September 13, 2004, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Canadian Pacific Railway Company
401 9th Ave SW, 5th Floor
Calgary, Alberta T2P 4Z4
Canada

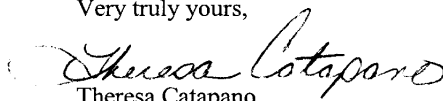
A description of the railroad equipment covered by the enclosed document is fifty-four (54) 286,000 GRL, 66' interior length, 5'6" sides, mill gondolas (E735), cars marked NOKL (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5375.
Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(CP050)

ASSIGN. NO. CP050

OCT 15 '04 3-47 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 13th day of September, 2004, by and between the Montreal branch of FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and CANADIAN PACIFIC RAILWAY COMPANY, (the "Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease") dated as of February 4, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 4 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 14, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

NAME: Susan BarrieTITLE: Regional Vice President, SalesSIGNATURE: Susan Barrie

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

I, Gordon Hopkins, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A. Barrie personally appeared before me this day and acknowledged her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of September, 2004.

Gordon Hopkins
Commissioner of Oaths

My Commission expires:

21/07/2006

LESSEE:

CANADIAN PACIFIC RAILWAY COMPANY

Donald B. Campbell

VP Business Planning & Development

NAME Canadian Pacific Railway

TITLE : _____

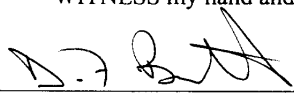
SIGNATURE: 

PROVINCE OF Alberta

CITY
DISTRICT OF Calgary

I, Don Barnhardt, a Commissioner of Oaths of the Province
and District aforesaid, certify that Don Campbell personally appeared before me
this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of September, 2004.


Commissioner of Oaths

~~My Commission expires:~~

DON BARNHARDT
Barrister and Solicitor
Suite 920, 401 - 9th Avenue SW
Calgary, AB T2P 4Z4
Telephone: 319-6183

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Fifty-four (54).

DESCRIPTION OF CARS: 286,000 GRL, 66' interior length, 5'6" sides, mill gondola (E735) cars suitable for scrap metal service.

CAR NUMBERS:

NOKL 360004	NOKL 360123
NOKL 360015	NOKL 360126
NOKL 360016	NOKL 360128
NOKL 360022	NOKL 360129
NOKL 360023	NOKL 360133
NOKL 360027	NOKL 360134
NOKL 360028	NOKL 360135
NOKL 360031	NOKL 360142
NOKL 360033	NOKL 360146
NOKL 360048	NOKL 360153
NOKL 360053	NOKL 360155
NOKL 360055	NOKL 360164
NOKL 360056	NOKL 360167
NOKL 360062	NOKL 360169
NOKL 360070	NOKL 360170
NOKL 360072	NOKL 360173
NOKL 360076	NOKL 360178
NOKL 360081	NOKL 360182
NOKL 360084	NOKL 360183
NOKL 360087	NOKL 360185
NOKL 360089	NOKL 360190
NOKL 360092	NOKL 360196
NOKL 360096	Count 54
NOKL 360100	
NOKL 360101	
NOKL 360106	
NOKL 360108	
NOKL 360109	
NOKL 360110	
NOKL 360118	
NOKL 360121	
NOKL 360122	